

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Review, 2022

Docket No. ACR2022

CHAIRMAN'S INFORMATION REQUEST NO. 21

(Issued March 21, 2023)

To clarify the basis of the Postal Service's motion for reconsideration, filed March 9, 2023,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than March 27, 2023.

Periodic Reporting

1. In its Motion, the Postal Service states that:

The Postal Service's [Decision Analysis Reports (DARs)] for capital spending projects are divided into two types, and have been for at least 15 years. "Generative" DARs are so called because they generate either cost savings or revenue. These are the DARs that the Postal Service either detailed to the Commission as part of ACR 2022 in USPS-FY22-45 and USPS-FY22-NP31 or would fall within the additional revenue-generating DARs to be filed in response to question 2. The other type of DAR for capital spending projects are "sustaining" DARs, so called because they represent projects that are simply necessary for the Postal Service to continue functioning.

Motion at 3-4. The Postal Service further represents that sustaining DARs "include projects such as replacing roofs and HVAC systems on or in Postal facilities, repaving postal parking lots, and obtaining alternate facilities from which

¹ United States Postal Service Motion for Reconsideration of Question 2 of Chairman's Information Request No. 16, March 9, 2023 (Motion).

to do business because of fire, flood, or loss of lease in the existing facility.” See *id.* at 4.

- a. Please describe in detail the process used to categorize DARs as either “generative” or “sustaining.” In the response, please describe the types of personnel that are responsible for categorizing each DAR into one of the two types (identify whether they are headquarters and/or local field personnel, their department/operating unit(s), their relevant chain of command, and their job function), and all criteria used by such personnel to categorize each DAR as either “generative” or “sustaining.”
- b. Please describe how a capital spending project would be categorized if it included elements of both cost reduction and Postal Service maintenance, beyond the statement in the Motion that “there may be a cost-saving component to a sustaining DAR in a sense..., but sustaining DARs are, overall, without net cost savings or revenue generation.” *Id.* As part of the response, please specifically discuss the following examples:
 - i. During the course of necessary replacements of leaky rooves, the Postal Service also installs solar panels with the intention of either generating energy for use in the impacted facilities or selling energy back to the grid.
 - ii. During the course of necessary HVAC system replacements, the Postal Service elects to install greener, more efficient HVAC systems that would result in energy cost savings.
 - iii. Some long-life vehicles near the end of their usable lives are replaced with electric or hybrid vehicles.

2. Please provide a public copy of, or a working website link (that is accessible to the general public rather than restricted to Postal Service employees) to, any applicable Postal Service handbook or manual describing the matters at issue in the response to question 1 above, including the most recent version of Handbook F-66, *General Investment Policies and Procedures*.

By the Chairman.

Michael Kubayanda